

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 05006 171836Z
ACTION EUR-12

INFO OCT-01 EA-07 IO-13 ISO-00 EURE-00 XMB-02 AGR-05
CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-03 H-01
INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01
EPG-02 AID-05 SS-15 STR-04 ITC-01 TRSE-00 USIA-06
PRS-01 SP-02 FEAE-00 OMB-01 /114 W
-----171859Z 044652 /47

P R 171455Z MAY 77
FM USMISSION EC BRUSSELS
TO SECSTATE WASHDC PRIORITY 0000
INFO USMISSION GENEVA
AMEMBASSY TOKYO
ALL EC CAPITALS

LIMITED OFFICIAL USE EC BRUSSELS 5006

E.O. 11652: N/A
TAGS: ETRD, EEC
SUBJECT: CONTINUE EC DISCUSSION ON ZENITH CASE AND STEEL

REFS: (A) EC BRUSSELS 4626; (B) GENEVA 3734;
(C) EC BRUSSELS 4709

1. ARTICLE 113 COMMITTEE SESSION ON MAY 12-13 CONTINUED DISCUSSION
OF SEVERAL BILATERAL ISSUES, NOTABLY RHODESIAN CHROME, U.S.
SPECIALTY STEEL QUOTAS AND THE ZENITH CASE AND ITS IMPLICATIONS
(SEE REFTELS FOR PREVIOUS). DETAILS FOLLOW:

(A) RHODESIAN CHROME. SUBJECT WAS DISCUSSED IN EXPORTS GROUP
ON MAY 11 AND AT SOME LENGTH IN 113 COMMITTEE MEETING THE
FOLLOWING DAY. COMMISSION SOURCE INDICATES THAT EC EXPECTS TO
BE READY WITH A COUNTER PROPOSAL TO INITIAL US DRAFT REGULATIONS
BY END OF MAY. DISCUSSION REPORTEDLY WAS GROUNDED IN ACCEPTANCE
OF FACT THAT US AND EC SHARE A COMMUNITY OF PURPOSE IN
IMPLEMENTING THE EMBARGO EFFECTIVELY BUT THAT A WAY NEEDS TO
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 05006 171836Z

BE FOUND TO DEVELOP PRACTICAL REGULATIONS SO THAT
LEGITIMATE TRADE IN SPECIALTY STEEL CAN CONTINUE.
(B) SPECIALTY STEEL RESTRICTIONS. COMMISSION AND
MEMBER STATE SOURCES REPORT THAT FRENCH BID FOR A
REQUEST FOR ARTICLE XIX CONSULTATIONS, TO BE MADE AT
NEXT GATT COUNCIL, WAS CONTAINED DURING 113 DISCUSSION.
COMMISSION IS CONCERNED THAT FRANCE, OR OTHER MEMBER

STATES, WILL REOPEN QUESTION IF FAVORABLE US DECISION ON ITC REVIEW IS NOT MADE SHORTLY. MEMBER STATES WILL CAUCUS IN GENEVA ON MAY 20 AT WHICH POINT FURTHER PUSH FOR STATEMENT AT GATT COUNCIL CANNOT BE EXCLUDED. (C) THE ZENITH CASE. MEMBER STATES EXPRESSED RISING CONCERN OVER IMPLICATION OF ZENITH CASE FOR EC EXPORTERS AND OVER INCREASINGLY PESSIMISTIC OUTLOOK FOR APPEAL OF DECISION IN HIGHER COURTS. QUESTION WILL NOW BE PUT ON THE AGENDA FOR THE JUNE 7 MEETING OF THE EC FOREIGN MINISTERS. PRIMARY CONCERN OF EC AT THIS POINT IS THAT US STEEL CASE ON VAT REBATES BE POSTPONED AS LONG AS POSSIBLE. IN THIS REGARD, COMMISSION OFFICIAL (LOERKE OF DG-I) ASKED THAT USG CONSIDER ADVISABILITY OF RE-OPENING ORIGINAL COUNTERVAILING DUTY CASE AS WAY TO POSTPONE COURT CONSIDERATION.

2. COMMENT: WHILE WE CAN UNDERSTAND COMMISSION'S CONCERN AND DESIRE TO DELAY A DECISION AS LONG AS POSSIBLE, WE ARE NOT CONVINCED THAT REOPENING THE ORIGINAL U.S. STEEL CASE WOULD BE VERY HELPFUL OR EVEN FEASIBLE. FIRST PROBLEM WE SEE WOULD BE THE GROUNDS ON WHICH CASE REOPENED I.E., A JUDGMENT BY TREASURY THAT AS RESULT OF ZENITH DECISION A SUBSIDY MIGHT BE PRESUMED TO EXIST. MOREOVER, SHOULD WASHINGTON AGENCIES DECIDE TO PUSH FOR IMMEDIATE LEGISLATION TO CLEAR UP PROBLEM, WOULD SIX MONTHS MORE OF COUNTERVAILING DUTY INVESTIGATION NOT JUSTIFY DELAY ON THE HILL? MISSION WOULD APPRECIATE WASHINGTON THINKING ON THIS QUESTION; IS IT POSSIBLE TO REOPEN US STEEL CASE AND IF SO, WHAT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 05006 171836Z

ARE PROS AND CONS OF DOING SO?
HINTON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STEEL, TELEVISION, DISPUTE SETTLEMENT, TRADE CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 17-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ECBRU05006
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770175-0401
Format: TEL
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770550/aaaabqxg.tel
Line Count: 99
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f432be92-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 EC BRUSSELS 4626, 77 GENEVA 3734, 77 EC BRUSSELS 4709
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2495447
Secure: OPEN
Status: NATIVE
Subject: CONTINUE EC DISCUSSION ON ZENITH CASE AND STEEL
TAGS: ETRD, US, EEC, ZENITH
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/f432be92-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009